

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0904-01
Bill No.: HB 393
Subject: Education, Elementary and Secondary; Elementary and Secondary Education
Department
Type: Original
Date: February 14, 2011

Bill Summary: This proposal establishes the Parent Empowerment and Choice Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

According to officials from the **Department of Elementary and Secondary Education (DESE)**, this proposal could require school districts to provide three options for students, one of which is a voucher program. This would allow a student to attend a private school with a voucher from state and local aid. If this program is only for those students that are currently attending the public school then state aid is already being paid on this student so it would not cause an additional draw for state aid.

DESE assumes if students from private schools are allowed to enroll in the public school of residence after this voucher program is instituted and then go back to the private school they had been attending, then these are new students would be run through the formula and would create additional cost to the state. This cost while indeterminable could be very significant. Either scenario will cause a financial drain on the public school district that institutes this option.

Oversight assumes that if all provisions of the educational choice portion of the proposal were enacted, the cost to the foundation formula and to the schools affected could exceed \$100,000. The current state average amount of basic formula per weighted ADA is \$3,643, so if only 27 students were affected, the cost would exceed \$100,000. **Oversight** assumes a determination of a number of schools/students affected by this proposal is largely speculative and for fiscal note purposes only, will assign no fiscal impact.

Officials from the **Blue Springs School District** estimate this proposal could cost their district \$700,000 to \$800,000 annually.

Officials from the **Parkway School District** assume this proposed legislation has the potential to impact Parkway and other public schools significantly, however no specific estimate can be predicted at this time. It cannot be estimated whether any Parkway schools would be "triggered" for a reform model, and which reform model would be chosen. If vouchers were triggered, students currently attending private schools would cost the state and Parkway taxpayers approximately \$8,000 per student. In addition, it is not specified how the receiving public school district would be compensated for any transferring student from a "triggered" school. Since Parkway receives only 5 percent of their funding from the state, local taxpayers would bear the cost of non-resident students, which would be more than \$10,000 per student.

Officials from the **Special School District of St Louis County (SSD)** anticipate the proposal would create a complicated situation in St Louis County as SSD provides all of the special

ASSUMPTION (continued)

education for the county. SSD assumes this proposal would great a large negative fiscal impact on their district if provisions don't address how special education funding will be handled.

The Coordinator for Charter Schools for the **University of Missouri - St Louis** assume no fiscal impact from this proposal.

Officials from **St Louis University** responded to a request for fiscal note, but indicated no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
School Districts

Blue Springs

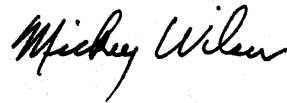
Parkway

Special School District of St Louis County

Charter School Sponsors

St Louis University

University of Missouri - St Louis

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 14, 2011